



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

M E M O R A N D U M

February 16, 1984

TO: James W. Smith, Jr., Coordinator of Mined Land Development
FROM: Pamela Grubaugh-Littig, Reclamation Engineer *PGL*
SUBJECT: Shale Development Corporation
Sand Wash Project
ACT/047/005, Uintah County, Utah
Letter Dated February 8, 1984 to Governor Matheson

I would like to clarify several comments that were made in a letter to the Governor from Shale Development Corporation. The letter stated that I assured them that the "noncancellable clause" implied that it would remain in force for eternity, was not the intent of the Division which is true. However, I did not state that the Division could issue a letter to correct the problem. Yes, I did feel then that I would check with the Legal Department, but no I did not say it would take two years to clear up.

The two year period meant the liability period could not be changed by a letter. I am attaching the letter I sent to Shale Development Corporation in December to clarify the situation.

PGL/btb

Attachment



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

December 13, 1983

Mr. Delbert D. Thomas
Shale Development Corporation
Vice President - Engineering
313 High Street
Redland, California

RE: Surety Sand Wash Mine
ACT/047/005
Uintah County, Utah

Dear Mr. Thomas:

I received a telephone call on December 7, 1983 from your office requesting a possibility of changing the bond forms. There seems to be a concern with the "non-cancellable" clause for the insurance agency. In checking with legal, this cannot be replaced or covered in a letter for a period of two to three years.

There are other forms of bonding acceptable to the Division. These include an automatically renewable certificate of deposit, an irrevocable letter of credit, cash, U.S. Treasury Notes, or an escrow agreement.

If you have any further questions, please feel free to call me.

Sincerely,


PAMELA GRUGAUGH-LITTIG
RECLAMATION ENGINEER

PGL:re

cc: Cy Young, DOGM
Mary Boucek, DOGM